



Department of Justice

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DEPARTMENT OF JUSTICE REQUIRES 3D SYSTEMS CORPORATION AND DTM CORPORATION TO LIFT PATENT ENTRY BARRIERS

Companies Agree to License Portfolio of Patents

WASHINGTON, D.C. — The Department of Justice today reached a settlement with 3D Systems Corporation that will allow the company to go forward with its purchase of DTM Corporation, provided that 3D and DTM license their Rapid Prototyping (RP) patents to a company that will compete in the U.S. market. Rapid prototyping is a process by which a machine transforms a computer design into three-dimensional objects, speeding the design process for everything from cellular phones to medical equipment.

The agreement, filed today in the U.S. District Court for the District of Columbia, settles a lawsuit filed by the Department's Antitrust Division on June 6, 2001, to block 3D from acquiring DTM. According to the Department, the acquisition as initially proposed would have substantially lessened competition in the U.S. industrial RP systems market. The complaint alleges that the acquisition would have reduced the number of competitors in the U.S. market from three to two, and limited the dynamic competition that has resulted in lower prices to customers and technological improvements to RP systems.

3D and DTM hold patents to the prevailing technology. These patents presently prevent entry by foreign firms who sell abroad. The proposed settlement will permit new entry by requiring 3D and DTM to license their RP-related patents to a firm, which has yet to be determined, that will compete in the U.S. market. According to the settlement, the required license is limited to a specific field of use depending on the type of RP technology already utilized

by the licensee outside of the United States. 3D and DTM must license their RP patents to a company that currently manufactures RP equipment, ensuring a capable competitor.

“Companies, universities and government agencies rely upon rapid prototyping to develop and create models of next generation products,” said Charles A. James, Assistant Attorney General of the Antitrust Division. “This resolution preserves competition and promotes innovation by allowing a firm presently competing abroad to enter the U.S. market.”

3D Systems Corporation is a Delaware corporation with its principal place of business in Valencia, California. 3D is a manufacturer and supplier of RP systems and related equipment, and services. For the year ending December 31, 2000, 3D reported sales of \$110 million.

DTM is a Texas corporation with its principal place of business in Austin, Texas. DTM designs, manufactures, markets and supports, RP systems and related materials. For the year ending December 31, 2000, DTM reported sales of \$40 million.

As required by the Tunney Act, the proposed consent decree, along with the Department’s Competitive Impact Statement, will be published in the Federal Register. Any person may submit written comments concerning the proposed decree during a 60-day comment period to J. Robert Kramer II, Chief, Litigation II Section, Antitrust Division, U.S. Department of Justice, 1401 H Street, N.W. Suite 3000, Washington D.C. 20530. At the conclusion of the 60-day comment period, the Court may enter the final judgment upon a finding that it serves the public interest.

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